

DATE: November 6, 2001

TO: Region Engineers
Region Associate Delivery Engineers
Region Construction Engineers
Resident/Project Engineers/TSC Managers
Region Traffic Engineers

FROM: C. Thomas Maki
Chief Operations Officer

Gary D. Taylor
Chief Engineer/Deputy Director
Bureau of Highway Technical Services

SUBJECT: Bureau of Highway Instructional Memorandum 2001-15
Retainage on Construction and Maintenance Projects

The purpose of this memo is to inform you of changes to the retainage on construction and maintenance contracts. The Contract Services Division has notified us of the following:

- For projects let after October 1, 2001, the retainage deduction will be two percent of the total contract amount.
- For projects let prior to October 1, 2001, the retainage provisions of Subsection 109.06 of the 1996 Standard Specification will remain in effect.
- The attached Supplemental Specification will be placed in all contracts let after October 1, 2001.

Chief Operations Officer

Chief Engineer/Deputy Director
Bureau of Highway Technical Services

BOHTS:C/T:GT:kab

Subject Index: Payment to Contractors

cc: C & T Division Staff
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Design Division, P. Miller
Maintenance Division, C. Roberts
Traffic & Safety Division, J. O'Doherty
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MICHIGAN
DEPARTMENT OF TRANSPORTATION

SUPPLEMENTAL SPECIFICATION
FOR
RETAINAGE IN CONSTRUCTION AND MAINTENANCE PROJECTS

109(2a)

1 of 1

11-06-01

Subsections 109.06.A.2.a. and b., on page 1.83 of the 1996 Standard Specifications for Construction, are deleted and are replaced with the following subsections:

2. From the total amount earned, the Michigan Department of Transportation will deduct and retain amounts according to the following schedule:
 - a. Two percent of the total contract amount.
 - b. When requested by the Contractor and approved by the Department, the retainage may be reduced upon acceptance of the project. The amount of reduction will be determined by the Department.

Before reduction of the amount retained is made, the Contractor shall file with the Michigan Department of Transportation the written consent of the Surety for final payment and furnish an affidavit stating that all indebtedness attributable to the contract has been paid in full or satisfactorily secured.